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SOURCE Hsin-hua Jih-pao.DEPUTY MAYOR DISCUSSES CONDITIONS IN NANKING

Deputy Mayor of Nanking K'o Ch'ing-shih (1) /number refers to appended characters/ presented the following report on the first quarter of the year to the third all-circles conference held 15 April 1950.

During the last 20 years the population of the city has grown over a million. Under the changed conditions of the present it was necessary to reduce the population by a large number. During the last 4 months 56,000 persons were sent to the rural areas to engage in agricultural production, 75,000 have received food and clothing relief and 8,000 aged and infirm have been cared for.

Prices have been stabilized since the beginning of the Chinese New Year with benefit to both people and business. The dike restoration undertaken will be completed in April. The garrison forces have contributed 94,000 man-days of labor at a saving to the city of 150,000 market piculs of rice for wages.

The municipal budget has not yet been balanced and the city is still dependent upon central government subsidies. The removal of the capital from the city has effected much displacement of business. The people's purchasing power was at its lowest ebb at the time of the liberation and has not yet been raised to its proper level.

The people's bank has loaned 50 billion yuan to business for rehabilitation. City taxes are on a much lower rate than country taxes and must be raised.

Businesses that find themselves hard pressed to make ends meet will find it advantageous to engage in joint-operation methods. Nonessential businesses should change to more practical lines.

In recent months the workers have been aroused to a greater interest in their future prospects and many have taken voluntary reductions in wages to aid their employers to recoup their losses and get on their feet. Some volunteered to take cuts of 40 percent, others 30 percent, while at the same time increasing production, some as much as 100 percent. Brewery workers took a 50 percent cut.

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Shop workers in 881 stores took voluntary wage cuts. In 16 shops the workers asked for a complete cessation of wages to keep the places open.

Traditionally, Nanking has had little relationship with the hinterland, but now attention must be given to the development of trade with the rural areas and the outlying cities. Wharves, roads and other transport facilities must be developed. Modern business methods must be adopted and exhibitions held to acquaint the outside public with the city's productions.

During the 8 months of 1949 after liberation, the city's budget ran 24.4 percent in the red. Self-support for the city is possible with economies and better tax-collection methods. The city employees and the military must engage in production. The city must follow the taxation system set up by the Central government. The business firms must be honest in reckoning and paying their taxes. Monthly tax collections are the goal. The business-tax quota for private business in April is [an average of] 55,000 piculs of grain. This tax figure, based upon the revenue tax returns of the last 3 months, is considered reasonable. There are expenses for educational and cultural purposes and for municipal construction that must be met. To cover these additional expenses, levies of 15 percent of the grain tax, 10 percent of the business tax, and 30 percent of the house and land taxes will be collected.

The over-population problem is being solved, but further progress must be made. A general movement toward a return to rural living is needed. The whole population must carry out the austerity program in the use of unrefined foods and in preventing waste.

During the next 3 months, the following projects are scheduled for carrying out: (1) improvement of the harbor, (2) control of street merchants, and (3) elimination of loafers and disturbers of the peace.

#### CHARACTERS

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